



Irish Life Weekly Investment Bulletin

The week that was – WEEK 47 (ending 24/11/2017)

“To the man who only has a hammer, everything he encounters begins to look like a nail.”
– Alexander Maslow

Eurozone manufacturing and services boom – The November purchasing managers' indices by IHS Markit show that the manufacturing and services sectors in the eurozone had their best combined month since April 2011. Eurozone factory data had its second-best month in the index's history as the economy starts to shine.

German president calls for 'grand coalition' – Germany's president, Frank-Walter Steinmeier has invited Chancellor Angela Merkel's conservative bloc and the center-left Social Democrats (SPD) for joint talks on the possibility on the forming of a new 'grand coalition' but SPD leader Martin Schulz is said to be quite sceptical.

Global stock market up 0.9% on the week – The MSCI AC World TR Index showed a 0.90% rise from the 17th November to 24th November, as all the main markets ended the week higher. Volatility, as measured by the CBOE Volatility Index (VIX), finished the week at 9.67, down from 11.43 at the end of the previous week.

Chinese stocks drop on government's de-risking talk – China's Shanghai Composite index had its biggest drop in nearly a year and closed at a two-month low as talk of deleveraging and curbing financial sector risk picked up again following the 19th Communist Party Congress in October where various pledges were made.

Oil prices hit two-year highs – U.S. oil prices hit their highest levels in more than two years after the continued shutdown of the Keystone pipeline, after a spill was found in South Dakota. OPEC (Organization of Petroleum Exporting Countries) is also due to meet on 30th November to discuss extending oil supply cuts.

OBR predicts lower U.K. growth – The government's independent economic forecaster, Office for Budget Responsibility (OBR), expects the UK economy to grow by just 1.5% this year rather than the 2% estimated in March and also lower-than-expected growth of 1.4% in 2018, rather than the 1.6% suggested in March.

The Story of the week: A Californian youth football referee, Avery Krut, decided to stop volunteering with the Beverly Hills American Youth Soccer Association after he became frustrated by fellow parents' behaviour from the sidelines. The 57-year-old, called them "entitled" and said the way they acted was "damaging to children. People threatening to write up a referee because he was wearing a protective boot was the last straw."

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 24/11)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	18.3
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	6.9
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.8
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	11.4
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	18.4
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	28.0
Nikkei 225	22.9	56.7	7.1	9.1	0.4	18.0
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	28.6
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.1
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	1.8
Greece	12.7	8.2	9.6	7.9	7.1	5.4
Portugal	6.9	6.1	2.7	2.5	3.8	1.9
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.19
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.89
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.34
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	6.9% (to end of Q3)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance